

## Message Text

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PAGE 01 COPENH 05894 121617Z  
ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 IO-13 AGRE-00 CEA-01 CIAE-00  
COME-00 DODE-00 FRB-03 H-01 INR-10 INT-05 L-03  
LAB-04 NSAE-00 PA-01 CTME-00 AID-05 SS-15 STR-07  
ITC-01 TRSE-00 SP-02 SOE-02 OMB-01 DOE-15 SSO-00  
NSCE-00 ICAE-00 INRE-00 /110 W  
-----090714 121622Z /64

O 121530Z SEP 78  
FM AMEMBASSY COPENHAGEN  
TO SECSTATE WASHDC IMMEDIATE 7131

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PASS AGRICULTURE ELECTRONICALLY FOR OYLOE, FAS

E.O.: 11652: N/A  
TAGS: ETRD  
SUBJ: WAIVER OF US COUNTERVAILING DUTIES

REF : STATE 221830

PER TELECON WITH TURNER OYLOE, FAS, FOLLOWING IS TEXT OF  
INFORMAL MEMORANDUM PROVIDING SUBSTANCE OF REFTEL WHICH WAS  
SENT TO MINISTRY OF FOREIGN AFFAIRS AT ITS REQUEST AFTER WE  
HAD INFORMED MINISTRY ORALLY, PER INSTRUCTIONS REFTEL, RE  
PROSPECTS FOR EXTENSION OF TRADE ACT AUTHORITY TO WAIVE  
IMPOSITION OF COUNTERVAILING DUTIES. COPIES OF MEMORANDUM  
WERE SUBSEQUENTLY PROVIDED MINISTRY OF AGRICULTURE AND AGRI-  
CULTURAL COUNCIL AT THEIR REQUEST.

QUOTE: AFTER CONSULTATIONS WITH CONGRESSIONAL LEADERS, THE  
UNITED STATES GOVERNMENT HAS CONCLUDED THAT THE PROSPECTS  
IN THIS SESSION OF CONGRESS FOR EXTENSION OF THE US TRADE  
ACT AUTHORITY TO WAIVE IMPOSITION OF COUNTERVAILING DUTIES  
ARE NOT GOOD. THE EXPECTATION NOW IS THAT COUNTERVAILING  
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PAGE 02 COPENH 05894 121617Z

DUTIES EQUAL TO THE AMOUNT OF THE SUBSIDY WILL BE COLLECTED  
BEGINNING JANUARY 4, 1979 IN ALL CASES THAT ARE NOW OR MAY  
BECOME SUBJECT TO WAIVERS.

SECTION 331 OF THE TRADE ACT OF 1974 AUTHORIZES THE SECRE-  
TARY OF THE TREASURY TO WAIVE THE IMPOSITION OF COUNTERVAIL-  
ING DUTIES (CVD'S) UNDER SPECIFIED CIRCUMSTANCES. THE WAIVER

AUTHORITY, WHICH EXPIRES JANUARY 3, 1979, WAS DESIGNED TO IMPROVE POSSIBILITIES FOR SUCCESSFUL NEGOTIATION OF AN INTERNATIONAL AGREEMENT ON SUBSIDIES AND COUNTERVAILING DUTIES IN THE MULTILATERAL TRADE NEGOTIATIONS (MTN). ALTHOUGH THERE HAS BEEN CONSIDERABLE PROGRESS IN THE MTN IN RECENT MONTHS, SEVERAL MAJOR ISSUES IN THE SUBSIDY/CVD TALKS ARE STILL UNRESOLVED.

THE US GOVERNMENT NOW EXPECTS THE MTN NEGOTIATIONS TO BE CONCLUDED BY DECEMBER 15 AND TO SUBMIT THE MTN AGREEMENTS AND IMPLEMENTING LEGISLATION TO CONGRESS IN MARCH, 1979. UNDER TRADE ACT PROCEDURES, CONGRESS WOULD THEN HAVE SIXTY LEGISLATIVE DAYS (ABOUT FOUR OR FIVE CALENDAR MONTHS) TO APPROVE OR DISAPPROVE THE PACKAGE. THE ADMINISTRATION HAS APPROACHED CONGRESS IN REGARD TO OBTAINING A SIX OR EIGHT MONTH EXTENSION OF THE WAIVER AUTHORITY, TO COVER THE PERIOD NEEDED FOR CONGRESSIONAL CONSIDERATION OF THE MTN PACKAGE BUT HAS BEEN ADVISED BY CONGRESSIONAL SPOKESMEN THAT MEMBERS WOULD REACT NEGATIVELY TO A REQUEST FOR EXTENSION AND THAT APPROVAL APPROVAL OF AN EXTENSION IN THE ABSENCE OF A SATISFACTORY INTERNATIONAL AGREEMENT ON SUBSIDY/COUNTERVAILING WOULD BE VIRTUALLY IMPOSSIBLE. THEY ALSO STRESSED THE SERIOUS RISK OF PROTECTIONIST AMENDMENTS TO A WAIVER-EXTENSION BILL THAT COULD LEAVE OUR WHOLE TRADE POSTURE IN DOUBT.

WHILE THE ADMINISTRATION HAS NOT RULED OUT REQUESTING A LIMITED OFFICIAL USE

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PAGE 03 COPENH 05894 121617Z

WAIVER EXTENSION IN THE FALL, THE CHANCES OF PASSAGE ARE CONSIDERED SLIM. IF THE WAIVER AUTHORITY EXPIRES, TREASURY WILL IMPOSE COUNTERVAILING DUTIES EQUAL TO THE SUBSIDIES PAID ON GOODS NOW COVERED BY WAIVERS. IN THE COMING MONTHS, TREASURY WILL BE SEEKING ADDITIONAL DATA FROM HOST GOVERNMENT TO PERMIT ACCURATE CALCULATION OF THE CVD ON THESE PRODUCTS. TREASURY EXPECTS TO HAVE ALL NECESSARY INFORMATION AVAILABLE IN TIME TO MAKE DEFINITIVE CONCLUSIONS FOR ALL AFFECTED ITEMS, AND TO IMPOSE AND COLLECT DEFINITIVE DUTIES WITHOUT SUSPENDING LIQUIDATION ON ALL ENTRIES SUBSEQUENT TO WAIVER EXPIRATION. IN EXCEPTIONAL CIRCUMSTANCES, WHERE FOR GOOD REASON MORE TIME IS NEEDED TO OBTAIN INFORMATION, THE AMOUNT OF THE SUBSIDY WILL BE ESTIMATED AND AN ESTIMATED DUTY COLLECTED IN CASH PENDING FINAL DETERMINATION AND LIQUIDATION. NO BONDS OR LETTERS OF CREDIT WILL BE ACCEPTED. UNQUOTE.  
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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** COUNTERVAILING DUTIES, EXCEPTIONS LIST  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 12 sep 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978COPENH05894  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780370-0901  
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**Office:** ACTION EB  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** 78 STATE 221830  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 05 may 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** N/A  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 1473839  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** WAIVER OF US COUNTERVAILING DUTIES  
**TAGS:** ETRD, DA  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/aae95b52-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Sheryl P. Walter  
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